



PROGRAMS

PROPERTY

UCIP's property program is a joint self-insurance fund wherein members jointly self-insure their buildings, contents, equipment and autos for physical damage. The members jointly purchase reinsurance for large claims. When a large loss occurs, UCIP quickly indemnifies the member the full amount of the loss to minimize disruption in county operations. UCIP then requests reimbursement from the reinsurer for amounts in excess of the pool's self-insured retention. To assure each member has adequate limits for damage to property, UCIP provides regular certified appraisals of buildings to confirm the cost to reconstruct member owned properties. This process also assures that each member pays an equitable share into the self-insurance fund. Members can chose to have their property covered for replacement cost, actual cash value, or reproduction cost for historical buildings. Members enjoy small deductibles under the property program, but have the option of larger deductibles.

LIABILITY

UCIP's Liability program is a joint liability reserve fund in accordance with U.C.A. §63G-7-703. Members self-insure claims within the self-insured retention of jointly purchased reinsurance, which provides protection from large claims. Limits are provided to cover claims within the Utah statutory tort caps for government entities, and increased limits are available to members for claims brought in federal court, which are not limited by the state tort cap. Defense costs are provided in addition to the limits, and often make up the majority of loss. UCIP utilizes a Litigation Management Committee, made up of County Attorney's, to review litigated claims, and make recommendation to the UCIP Board of Trustees on potential claim settlements. This process provides members assurance that their claims will not be "settled out from under them", in the way insurance companies do. UCIP vigorously defends its members to protect their immunities and their reputation with their constituents.

WORKERS COMPENSATION

In late 2003, UCIP developed a group self-funded workers compensation program for member counties. Reinsurance was secured with a Self-Insured Retention (SIR) of \$250,000, which increased to \$300,000 in 2008. This program was developed in response to member concerns that they were paying too much for workers compensation coverage. In addition, the Utah Local Governments Trust (ULGT) was developing a workers compensation program which would target both cities and counties. The program began providing coverage to members on January 1, 2004.

Unfortunately, UCIP did not initially charge adequate rates for its workers compensation program. Insufficient rates lead to significant use of member equity to support the program from its inception through 2008. Through rigorous expense management, the program finally developed surplus for the first time in 2009. However, in 2009 the competition in the workers compensation market left UCIP with the decision to either 1) raise rates for those counties that stayed in the program; or 2) use additional member equity to support the program.

In late 2009, UCIP restructured its workers compensation program into a joint purchase program with the Workers Compensation Fund (WCF). UCIP now provides counties significant credits on their workers compensation rates by jointly purchasing one policy with WCF, making UCIP one of WCF's largest policy holders. In addition, members enjoy superior safety consulting services from WCF's professional safety staff. While UCIP makes no direct income on this program, retaining membership in the program maintains maximum savings to the members.

WCF has traditionally paid dividends to its policy holders. The average dividend over the last 15 years has been 10% of premium.

UCIP members participating in the joint purchase can register for [WCF Online Portal](#) for access to loss data and statistics. [WCF Safety Programs](#) are in place to assist members in building a strong safety culture. Subscribe to WCF monthly [Resource Guide](#).

EMPLOYEE BENEFITS

As employee health plan costs soared in the early 2000's, counties asked UCIP to look at options to provide a group self-funded employee health program. In 2005 UCIP commissioned a consultant to study the feasibility of such a program. The study found that while sufficient data to start such a program was not available, that the idea should be pursued.

Faced with the desire to develop a self-funded program, but without the data or financial resources to do so, UCIP entered into a contract with the State of Utah's Public Employee's Health Plan (PEHP) for a program beginning January of 2006. The contract

allowed UCIP members to access PEHP benefits as a group, with UCIP providing administrative services to the counties in exchange for a 1% of premium fee paid by PEHP to UCIP. The contract provided for PEHP to assist UCIP in structuring a separate self-insured pool within PEHP for UCIP members, which PEHP would administer under contract. This self-insured pool was to be available by January 1, 2008.

During the term of the contract, PEHP advised UCIP that its group of eight counties was not large enough to begin a separate self-funded pool, as the contract required them to do. UCIP continued under the “temporary” terms of the PEHP contract which created increased costs for the members, and a financial loss to UCIP as the administrative fees paid by PEHP did not cover UCIP’s costs for running the program. In late 2008, during negotiations to have PEHP develop a self-funded pool for UCIP as the original contract required, PEHP terminated the contract, and refused to allow UCIP to jointly purchase benefits for the UCIP Benefits Program Members. This effectively terminated UCIP’s Employee Benefit Program.

Currently, UCIP sees no viable option to assist counties with the cost or terms of employee health benefits. If alternatives become available, UCIP will consider how they can assist counties in providing these benefits cost effectively.